

## Amendments to the Claims

1. (Original) An auction system for determining M winning bidder(s) from a plurality of potential bidders for N item(s) of merchandise, comprising:
  - an account database for maintaining a first account record associated with a first bidder and a second account record associated with a second bidder; and
  - an auction server for accessing the account database and processing a second bid from the second bidder where the second bid is associated with a second bid price, wherein the auction server reserves the second bid price from the second account record if the second bid is a valid bid.
2. (Original) The auction system of claim 1, wherein the auction server unreserves a first bid amount associated with a first bid from the first bidder in the first account record.
3. (Original) The auction system of claim 1, wherein M=1 and N=1.
4. (Original) The auction system of claim 1, wherein M=N.
5. (Original) The auction system of claim 1, wherein M = 1 and N = 1.

*Su  
B*  

---

6. (Currently amended) The auction system of claim 1, wherein the ~~first bid amount and the second bid amount bid prices~~ are incentive points.

*Su  
B*  

---

7. (Currently amended) The auction system of claim 1, wherein the ~~first bid amount and the second bid amount bid prices~~ are money.

8. (Original) An auction processing server for allowing a plurality of bidders to bid on at least one item, comprising:
  - an account file for handling account records, where each account record is associated with a bidder for storing payment units;
  - a first logic for receiving bids from the plurality of bidders, where each bid is associated with a bidder-selected number of payment units;

a second logic for reserving the bidder-selected number of payment units in the bidder's respective account record if the selected number of payment units is available in the account record.

9. (Original) The auction processing server of claim 8, wherein the first logic receives a second bid of a second number of payment units from a second bidder and had already received a first bid of first number of payment units from a first bidder, and the second logic unreserves the first number of payment units from the account record of the first bidder if the first number of payment units is less than the second number of payment units.

10. (Original) The auction processing server of claim 8, wherein the payment units are incentive points.

11. (Original) An auction processing server for allowing a plurality of bidders to bid on at least one item, comprising:

an account database for handling account records, where each account record is associated with a bidder for storing payment units;

a first logic for receiving bids from the plurality of bidders, where each bid is associated with a bidder-selected number of payment units and a second automated bidder maximum number of payment units;

a second logic for reserving the bidder-selected maximum number of payment units in the bidder's respective account record if the second automated bidder maximum number of payment units is available in the account record.

12. (Original) The auction processing server of claim 11, wherein the first logic receives a second bid of a second number of payment units from a second bidder and had already received a first bid of first number of payment units from a first bidder, and the second logic unreserves the first number of payment units from the account record of the first bidder if the first number of payment units is less than the second number of payment units.

13. (Original) The auction processing server of claim 11, wherein the first logic receives a

second bid of a second number of payment units from a second bidder and had already received a first bid of first number of payment units from a first bidder and an first automated bidder maximum number of payment units, and the second logic unreserves the first automated bidder maximum number of payment units from the account record of the first bidder if the first number of payment units is less than the second number of payment unit.

14. (Original) The auction processing server of claim 13, wherein the second logic unreserves the difference between a final winning price and the second automated bidder maximum number of payment units if the second bidder is declared the winner and the final winning price is less than the second automated bidder maximum number of payment units.

*Su*  
*b2* 15. (Currently amended) A point-based auction system comprising:

a database storing a first account representing a number of incentive points awarded to a first user and a second account representing a number of incentive points awarded to a second user, and each account also storing information relating to date or time period during which incentive points were earned;

a communications port operatively connected to the first user and the second user;  
*b2* a computer program or programs taking as input bids received from the first user and the second user through the communications port, each bid constituting a number of incentive points and relating to an item being auctioned, said program (a) checking each bid against the database to confirm that the user submitting the bid owns at least the number of points specified in the bid, (b) storing information identifying the current high bid, (c) reserving a number of points equal to the current high bid from the account of the user who submitted that bid such that those points may not be used for any other purpose until unreserved, (d) unreserving reserved points once a higher bid is received and validated, (e) at the end of the auction, awarding the item to the user with the highest bid at that point, and (f) subtracting the number of points representing the winning bid from the account of the user who submitted the winning bid;

wherein said computer program or programs use the date or time period information to cause incentive points to be removed from user accounts once a certain period of time has elapsed from awarding of such points.

16. (Previously added) A system as in Claim 15 further including:

a computer program or programs awarding incentive points to users for actions taken by users.

17. (Previously added) A system as in Claim 16 in which the actions include viewing advertisements.

18. (Cancelled)

---

19. (Currently amended) A An auction method comprising:

(a) providing a computer database accessible through a communication port for storing a plurality of accounts;

(ab) awarding a quantity of incentive points to a first user, including adding the first quantity to a first one of the stored account accounts of first user incentive points;

(bc) awarding a quantity of incentive points to a second user, including adding the quantity to a second one of the stored account accounts of second user incentive points;

(d) removing incentive points from the first and second stored accounts once a certain period of time has elapsed from the awarding of such points.

(ee) initiating an on-line auction for an item, including specifying a minimum number of incentive points required for an opening bid;

(ef) receiving a first bid from the first user through a the communications port;

(eg) comparing the first bid against the minimum number and rejecting the first bid if the first bid is less than the minimum number;

(fh) comparing the first bid against the number of unreserved incentive points in the first stored account and rejecting the first bid if the first bid is greater than the number of unreserved incentive points in the first stored account;

(gi) if the first bid has not been rejected, storing an indication that the first bid is the current high bid and reserving a number of incentive points in the first stored account equal to the amount of the first bid;

(hj) receiving a second bid from the second user through a communications port;

- (ik) comparing the second bid against the current high bid and rejecting the first bid if the first bid is less than the current high bid;
- (jl) comparing the second bid against the number of unreserved incentive points in the second stored account and rejecting the second bid if the second bid is greater than the number of unreserved incentive points in the second stored account;
- (km) if the second bid has not been rejected, storing an indication that the second bid is the current high bid, reserving a number of incentive points in the second stored account equal to the amount of the second bid, and unreserving the first account points previously reserved in step (gi);
- (ln) after receipt of n number of additional bids, closing the auction; and
- (mo) awarding the item to the user who submitted the highest valid bid as of the close of the auction and deleting from that user's account that number of points reserved in that account as a result of that bid.

20. (Previously added) The method of Claim 19, in which:

the step (a) awarding of points occurs as a result of the first user viewing an advertisement.

21. (Previously added) The method of Claim 19, in which:

the step (a) awarding of points occurs as a result of the first user signing up for a service.

22. (Previously added) The method of Claim 19, in which:

the step (a) awarding of points occurs as a result of the first user providing identification information.

23. (Previously added) A system comprising:

a first database or databases including a first entry representing a number of incentive points held by a first user, a second entry representing a number of incentive points held by a second user, a third entry representing a number of incentive points held by the first user which are currently reserved and a fourth entry representing a number of incentive points held by the second user which are currently reserved;

a second database or databases including a first entry representing a first item to be auctioned and a second item to be auctioned;

a computer program or programs adding incentive points to the first entry when the first user performs actions for which incentive points are awarded and adding incentive points to the second entry when the second user performs actions for which incentive points are awarded;

a computer program or programs adding incentive points to the third entry when the first user submits a valid high bid in an auction and adding incentive points to the fourth entry when the second user submits a valid high bid in an auction; and

a computer program or programs deleting incentive points from the third entry when a valid bid is received which is higher than the previously high bid submitted by the first user, and deleting incentive points from the fourth entry when a valid bid is received which is higher than the previously high bid submitted by the second user.

24. (Previously added) A system as in Claim 23, wherein said computer program or programs delete incentive points from the first entry and from the second entry after the passage or a duration of time.

25. (Previously added) A system as in Claim 24, in which  
the actions for which incentive points are awarded include viewing advertisements.

26. (Previously added) A system as in Claim 25, in which  
the first database or databases further includes a fifth entry representing a number of incentive points not owned by the first user but available as credit to that user.

27. (Previously added) A point-based auction system comprising:  
a database storing a first account representing a number of incentive points awarded to a first user and a second account representing a number of incentive points awarded to a second user;  
a communications port operatively connected to the first user and the second user;  
a computer program or programs taking as input reserve amounts and bids received from the first user and the second user through the communications port, each reserve amount

representing the maximum number of incentive points reserved for an auction, and each bid constituting a number of incentive points and relating to an item being auctioned, said program (a) checking each reserve amount against the database to confirm that the user submitting the bid owns at least the number of incentive points specified in the reserve amount, (b) subtracting the reserve amount from each user's respective account, (c) checking each bid against the database to confirm that the amount in the bid is less than the amount in the reserve amount, (d) storing information identifying the current high bid, (e) unreserving the points specified in the reserve amount once a higher bid is received and validated, and (f) at the end of the auction, awarding the item to the user with the highest bid at that point.

28. (Previously added) The system of claim 27, wherein the program or programs further comprises (g) subtracting the number of points representing the winning bid from the reserve amount to generate an unreserved amount, and (h) adding the unreserved amount to the amount of incentive points in the account of the user who submitted the winning bid.

*Sub*  
29. (Currently amended) A method comprising:

- b4*
- (a) providing a computer database accessible through a communication port for storing a plurality of accounts;
  - (b) awarding a quantity of incentive points to a first user, including adding the first quantity to a first one of the stored accounts of first user incentive points;
  - (c) awarding a quantity of incentive points to a second user, including adding the quantity to a second one of the stored accounts of second user incentive points;
  - (d) removing incentive points from the first and second stored accounts once a certain period of time has elapsed from the awarding of such points.
- (ae) initiating an on-line auction for an item, including specifying a minimum number of incentive points required for an opening bid;
  - (bf) receiving a first bid from a first user through a the communications port;
  - (eg) comparing the first bid against the minimum number and rejecting the first bid if the first bid is less than the minimum number; and

(d) comparing the first bid against the number of unreserved incentive points in the a first one of the stored accounts and rejecting the first bid if the first bid is greater than the number of unreserved incentive points in the first stored account.

30. (Currently amended) The method of claim 29, further comprising:

(e) if the first bid has not been rejected, storing an indication that the first bid is the current high bid and reserving a number of incentive points in the first stored account equal to the amount of the first bid.

31. (Currently amended) The method of claim 30, further comprising:

(f) receiving a second bid from the second user through a communications port;

(g) comparing the second bid against the current high bid and rejecting the first bid if the first bid is less than the current high bid; and

(h) comparing the second bid against the number of unreserved incentive points in the second stored account and rejecting the second bid if the second bid is greater than the number of unreserved incentive points in the second stored account.

32. (Currently amended) The method of claim 31, further comprising:

(i) if the second bid has not been rejected, storing an indication that the second bid is the current high bid, reserving a number of incentive points in the second stored account equal to the amount of the second bid, and unreserving the first account points previously reserved in step (e).

33. (Currently amended) The method of claim 32, further comprising:

(j) after receipt of n number of additional bids, closing the auction; and

(k) awarding the item to the user who submitted the highest valid bid as of the close of the auction and deleting from that user's account that number of points reserved in that account as a result of that bid.

34. (Cancelled)

*Su 21*

35. (Currently amended) The method of Claim 34 29, in which:

the step of awarding of points occurs as a result of the first user viewing an advertisement.

*B5*

36. (Currently amended) The method of Claim 34 29, in which:

the step of awarding of points occurs as a result of the first user signing up for a service.

37. (Currently amended) The method of Claim 34 29, in which:

the step of awarding of points occurs as a result of the first user providing identification information.